



State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

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December 3, 1998

Joseph S. Rees
J.E. Rees and Sons
2235 E. Rees Lane
Morgan, UT 84050

Re: Acceptance of Notice of Intention to Commence Small Mining Operations, Round Valley Rock Project, S/029/004, Morgan County, Utah

Dear Mr. Rees.:

Thank you for your Notice of Intention to Commence Small Mining Operations, received by the Division on November 10, 1998. The application for the proposed Round Valley Rock Project, located in the WS/4, NW/4, Section 29, T4N, R3E, SLBM, Morgan County, Utah is complete and no additional information is required at this time.

The Utah Mined Land Reclamation Act of 1975 [40-8-7(i)] provides the authority for fee implementation which was approved by the Utah Legislature at its 1998 session. Commencing July 1, 1998, the fees are assessed to new and existing notices of intention, and annually thereafter. Small Mining Notices require a \$100.00 fee which must be received prior to initiating any mining activities. The Division acknowledges receipt of this fee via check # 1796 received on November 10, 1998.

As discussed with you on the phone, A variance to Reclamation Practice #10 is warranted for the west side of the hill, due to the steepness of the hill, the limited amount of soil available and safety concerns. The Division hereby approves this requested variance.

Approval of mineral mining operations by the Division of Oil, Gas and Mining does not constitute approval to commence operations upon lands or minerals not under your control. Before this permit will be in effect, you will need to provide evidence that you have obtained a lease or purchase of the mineral estate from the Union Pacific Railroad that will be mined under your proposed operations.

For your reference, I have enclosed copies of our summarized rules regarding "Operation and Reclamation Practices," and the statutory penalty for failure to reclaim a minesite (SMO-1). Please give special consideration to item #10 of the "Operation and Reclamation Practices. Stockpiling topsoil material prior to beginning your mining operation will help ensure successful revegetation efforts upon final reclamation of the minesite. If the area being mined is a solid rock outcrop, or if the land surface is very rocky, then soil stockpiling is probably not possible. However, even the first few inches of undeveloped material is worth saving to aid in later revegetation efforts, and future regulatory release from reclamation requirements.

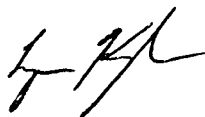
Should you wish to expand your operation beyond the five (5) acre limitation, please notify this office as soon as possible to discuss the necessary permitting requirements. Approval of a large mining notice could take from six to twelve months or longer.

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A Memorandum of Understanding between this Division and the State Department of Environmental Quality (DEQ) requires us to notify them upon receipt of a mining application. If you haven't already done so, you are advised to contact their office prior to starting your small mining operation to determine whether additional permits and/or approvals are required. We will forward a copy of this letter and your notice to the DEQ for their review. Their address and phone number is: Department of Environmental Quality, 288 North 1460 West, Salt Lake City, Utah, 84116, (801) 538-6146.

Thank you for your cooperation. When in the area, a member of the Division staff will examine the site. Best wishes with your mining operation.

Sincerely,

A handwritten signature in black ink, appearing to be 'L. Kunzler', written in a cursive style.

Lynn Kunzler
Senior Reclamation Specialist

jb

Enclosure

cc: Kiran Bhayani, DWQ w/NOI
Roger L. Bon, UGS
Tracking File
S029004.smo